

**DISSOLUTION AGREEMENT
BETWEEN THE GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION
DISTRICT, THE COUNTY OF MARIN AND THE NORTH COAST RAILROAD
AUTHORITY**

This Dissolution Agreement ("Agreement") is entered into this ____ day of _____, 2004 by and between the Golden Gate Bridge, Highway and Transportation District, a public agency ("GGB"), the County of Marin, a public agency ("County"), and the North Coast Railroad Authority ("NCRA").

RECITALS

A. GGB, County and NCRA entered into that certain Joint Powers Agreement dated May 24, 1995 ("JPA"), establishing the Northwestern Pacific Railroad Authority, a joint powers authority ("NWPRA"), pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (Section 6500, et seq.) to provide for the acquisition, maintenance, management and operation of the Healdsburg and Willits Segments of the Northwestern Pacific Right of Way for future public transportation and freight use.

B. Pursuant to a Memorandum of Understanding dated June 13, 2003 (the "MOU"), by and between the NWPRA and the Sonoma Marin Area Rail Transit District, a public agency created under California law ("SMART"), NWPRA agreed to transfer substantially all of its assets, as more particularly described in the MOU, to SMART.

C. Subject to completion of the proposed asset transfer to SMART, the parties desire to terminate the JPA and dissolve the NWPRA. The parties hereto now desire to enter into this Agreement to (i) authorize and consent to the termination of the JPA and the dissolution of the NWPRA, (ii) appoint GGB as the member agency authorized to wind up the affairs of the NWPRA, and (iii) provide for the distribution of NWPRA assets not distributed pursuant to the MOU.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

ARTICLE I

TERMINATION OF THE JPA AND DISSOLUTION OF THE NWPRA

1.1 Dissolution of the NWPRA. The parties agree to dissolve the NWPRA effective as of the date of closing of the transfer of NWPRA's assets to SMART pursuant to the MOU ("Effective Date"). In the event NWPRA's assets, other than those amounts reserved hereunder, are not transferred to SMART by the Effective Date, the Effective Date shall be extended until such date as the transfer of assets to SMART is complete. From and after the date of this Agreement, the parties shall endeavor to complete all unfinished business and liquidate the

affairs of the NWPRA. Except as deemed necessary to (i) complete the transfer of substantially all assets from NWPRA to SMART; (2) complete the winding up of unfinished business; or (3) carry out liquidating of the affairs of the NWPRA, none of the parties hereto shall do any further business or incur any further obligations on the part of the NWPRA after the Effective Date set forth in this Section.

1.2 Termination of the JPA. Pursuant to Section 21 of the JPA, the parties agree to terminate the JPA as of the Effective Date.

ARTICLE II

APPOINTMENT OF GGB AS DISSOLVING MEMBER

2.1 The parties appoint GGB as the sole “Dissolving Member” of the NWPRA. The Dissolving Member is authorized to wind up the affairs of the NWPRA, and in this regard, to:

- (a) pay all known debts and liabilities and the costs and expenses of winding up and dissolution;
- (b) establish and administer a reasonable reserve of funds to pay any remaining and final debts and liabilities of the NWPRA (e.g. audit costs, agency management fees) (the “Reserve”);
- (c) distribute the balance remaining from such Reserve to SMART on or before June 30, 2004, provided that GGB may extend such date if GGB determines, in its reasonable discretion, that such distribution should be delayed pending the resolution of an unresolved claim or action;
- (d) arrange for the preparation of a final audit report, showing cumulative collections, disbursements and distributions, which will be submitted upon completion of the dissolution to all member agencies;
- (e) cause a Statement of Facts – Roster of Public Agencies Filing to be filed in the office of the California Secretary of State; and
- (f) perform any and all other actions which GGB determines, in its reasonable discretion, are necessary or appropriate to wind up the affairs of the NWPRA and complete the dissolution process.

ARTICLE III

RELEASE

3.1 Release. Upon the Effective Date, the parties to this Agreement hereby release and discharge each other, each of their respective assigns and successors and each of their directors, officers, employees and agents, from any and all claims, actions, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses (including, without limitation, court costs and attorneys’ fees), damages, and causes of action of whatever kind or

nature, whether known or unknown, suspected or unsuspected, whether arising, or accruing before or after the Effective Date, based on, arising out of, or in connection with (a) the operation of the NWPRRA since its inception, including, without limitation, the ownership, management, development and disposition of its assets, and (b) the breach of any representation, warranty or covenant in the JPA or the Cooperative Agreement by and between NCRA and NWPRRA dated April 30, 1996, and all matters directly or indirectly claimed or alleged between the parties in connection therewith or in any way related thereto. The parties agree and acknowledge that this release applies to both known and unknown claims and agree to waive the benefits of California Civil Code §1542, which states as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

The parties agree and represent that they may hereafter discover facts different from or in addition to those they now know or believe to be true in respect to the claims, demands, debts, liabilities, accounts, actions or causes of action herein released, and hereby agree that these releases shall be and remain in effect in all respects as complete, general and full releases as to the matters released, notwithstanding any such different or additional facts.

ARTICLE IV

DISPUTE RESOLUTION

4.1 Dispute Resolution. Any controversy, claim or dispute arising out of or related to the interpretation, construction, performance or breach of this Agreement, which cannot be resolved by the parties shall be submitted to mediation in the County of Marin, California, administered by the American Arbitration Association under its Commercial Mediation Rules. Mediation shall proceed and continue until such time as the matter is either resolved or the mediator finds or the parties agree that mediation should not continue. If the parties cannot resolve the controversy, claim or dispute through the mediation process described above, the matter shall be settled by arbitration in the County of Marin, California, administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All direct costs and expenses of each party other than those for payment of the mediator or arbitrator(s) and/or mediation or arbitration facilities shall be borne and paid for by the party that incurs such expenses. In the event either party brings suit to enforce any judgment rendered in arbitration, the prevailing party in such proceeding shall be entitled to the costs, including, but not limited, legal fees, incurred by it during the enforcement proceeding.

ARTICLE V

MISCELLANEOUS

5.1 Assignment. Neither party shall assign this Agreement to any other person or entity, in whole or in part, without the express written consent of the other party, which shall not be unreasonably withheld.

5.2 Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

5.3 Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") shall be in writing and shall be (i) personally delivered; (ii) delivered by a reputable overnight courier; or (iii) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices shall be deemed received at the earlier of actual receipt or (i) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (ii) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices shall be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

if to GGB:

Golden Gate Bridge, Highway and
Transportation District
Box 9000 Presidio Station
San Francisco, CA 94129-0601
Attn: Celia Cupersmith

with a copy to:

Hanson, Bridgett, Marcus, Vlahos & Rudy, LLP
333 Market Street, Suite 2300
San Francisco, CA 94105-2173
Attention: David J. Miller, Esq.

if to County:

The County of Marin
Marin County Civic Center
San Rafael, CA 94903
Attention: Steve Kinsey

with a copy to:

Patrick Faulkner, Esq.
County Counsel of Marin
Civic Center, Suite 342
San Rafael, CA 94903

if to NCRA:

The North Coast Railroad Authority
419 Talmage Road, Suite M
Ukiah, CA 95482
Attention: John Woolley

with a copy to:

Christopher Neary, Esq.
110 South Main Street, Suite C
Willits, CA 95490

5.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

5.5 Amendment. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the party to be bound.

5.6 Timeliness. NWPRA and SMART hereby acknowledge and agree that time is of the essence with respect to each and every term, condition, obligation and provision hereof.

5.7 Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California, and any action or proceeding, including mediation or arbitration, brought by any party in which this Agreement is subject, shall be brought in the County of Marin or Sonoma, California.

5.8 Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

5.9 Invalidity. Any provision of this Agreement which is invalid, void, or illegal, shall not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement shall remain in full force and effect.

5.10 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.11 Number and Gender. When required by the context of this Agreement, each number (singular and plural) shall include all numbers, and each gender shall include all genders.

5.12 Further Assurances. Each party to this Agreement agrees to execute, acknowledge, and deliver such further instruments as may be necessary or desirable to accomplish the intent and purpose of this Agreement, provided that the party requesting such further action shall bear all costs and expenses related thereto.

5.13 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable shall be invalid or unenforceable only to the extent of such determination, which shall not invalidate or otherwise render ineffective any other provision of this Agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement with the intent to be legally bound.

THE GOLDEN GATE BRIDGE, HIGHWAY AND
TRANSPORTATION DISTRICT, a public agency

By: _____
Name: Celia Kupersmith
Its: General Manager

APPROVED AS TO FORM

Attorney

THE COUNTY OF MARIN, a public agency

By: _____
Name: Steve Kinsey
Its: President, Board of Supervisors

APPROVED AS TO FORM

Attorney

THE NORTH COAST RAILROAD AUTHORITY

By: _____
Name: John Woolley
Its: Chairman

APPROVED AS TO FORM

Attorney